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Art Unit	3628
Examiner Name	Poinvil, Frantzy
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ENCLOSURES *(Check all that apply)*

- ☐ Fee Transmittal Form
  - ☐ Fee Attached
- ☐ Amendment/Reply
  - ☐ After Final
  - ☐ Affidavits/declaration(s)
- ☐ Extension of Time Request
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- ☐ Reply to Missing Parts/ Incomplete Application
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Signature	Douglas D Russell		
Printed name	DOUGLAS D. RUSSELL		
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July 21, 2005
Date

Ellen Huffman
Ellen Huffman

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of:	Frank D. Tuttle	)	BEFORE
Serial Number:	09/518,837	)	
File Date:	03/03/2000	)	THE BOARD OF
For:	Loan Compliance Auditing System and Method	)	PATENT APPEALS
Group Art Unit:	3628	)	
Examiner:	Frantzy Poinvil	)	AND INTERFERENCES
Docket Number:	800470	)	

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APPELLANT'S REPLY BRIEF UNDER 37 CFR 1.193(b)(1)

Sir:

The following Appellant's Reply Brief is in response to Examiner's Answer with a date mailed of 05/31/2005. The Appellant's Reply Brief includes a consolidation of relevant information from Appellant's originally Appeal Brief filed on August 2, 2004 and relevant information from Appellant's Supplemental Appeal Brief filed on December 21, 2004. Appellant has added tables that provide comparisons of the elements of the claims of Appellant's invention with alleged equivalents cited by the Office in the Acosta disclosure to illustrate some of the patentably significant differences between the Acosta reference and Appellant's claimed invention. These tables merely summarize information previously presented in Appellant's Supplemental Appeal Brief, much of which is also contained in the Examiner's Answer.

APPELLANT'S REPLY BRIEF CONTENTS

1. REAL PARTY IN INTEREST

The real party of interest is the assignee of record as of June 22, 2005, Mavent Holdings, Inc. The prior real party of interest and assignor, Mavent, Inc. assigned the present application to Mavent Holdings, Inc. This assignment was recorded in the U.S. Patent Office on June 22, 2005 on Reel 016175, Frame 0396.

2. RELATED APPEALS AND INTERFERENCES

No other appeals or interferences are pending which would affect, or be affected by, or have bearing on the Board's decision.

3. STATUS OF CLAIMS

Claims 1-42 stand rejected by the Office under 35 U.S.C. §§ 102 (e) and 103(a). Claims 1-20, 22-33, 39 and 41-42 stand rejected by the Office under 35 U.S.C. § 102 (e) as being anticipated by Acosta et al. (U.S. Patent No. 6,643,625). Claims 21, 34-38 and 40 stand rejected under 35 U.S.C. 103(a) as unpatentable over Acosta et al. (U.S. Patent No. 6,643,625).

The current status claims 1-42 are shown in APPENDIX A. The rejections of claims 1-42 are under appeal.

4. STATUS OF AMENDMENTS

There are no outstanding amendments to the application.

5. SUMMARY OF INVENTION

The present invention provides an automated computer-implemented method for determining whether a loan file, either in a loan origination system of a lending institution or inputted by a user, is in compliance with federal, state and other jurisdictional requirements. These requirements place limitations on allowable parameters, such as interest rates, points and closing fees, contained in a loan file that loan originators may use when processing and closing a

loan. These requirements also dictate that certain state, federal and other jurisdictional licenses to be held by participating parties in the loan origination process, as indicated by entries in the loan file. These strict requirements are placed on loan origination entities for protection of loan appellants, and are enforced by various penalties including fines and loss of applicable licenses. The invention is a computer-implemented method that automates the determination of Federal and State compliance through the application of rules, tests and calculations on a set of data that represents an application for credit. See the specification, page 2, line 17 through page 4, line 10.

The automated compliance system is first initialized with computer-coded rules, 13 in Figure 1, derived from licensing requirements, laws and regulations applicable to the local jurisdiction. Key data fields are either manually entered or automatically extracted from a loan file contained in a loan origination system and transmitted to a loan audit server, 121 in Figure 11, where the data fields are compared with values determined by the computer-coded rules shown as 13 in Figure 1 and 123 in Figure 11. Compliance is automatically determined by whether the data in the data fields, 11 in Figure 1, conform to the computer-coded rules shown as 13 in Figure 1. This comparison of the data to the rules by the loan audit engine, shown as 12 in Figure 1 and 121 in Figure 11, determines whether the loan data file meets all the regulatory requirements placed on each individual loan that is processed by a loan origination entity such as a mortgage company or bank. The comparison determines, for example, if the interest rate charged on a loan is within Federal Consumer protection guidelines for the particular type of loan. It may also be determined if the fees charged by a property appraiser, loan originator, real estate agent, title company, etc exceed government limits. Once the rules for a particular lender and lender jurisdiction have been determined, all loan data file by the lender in that jurisdiction may be processed using these same riles by a loan audit engine shown as 12 in Figure 1, to

produce loan audit results shown as 15 in Figure 1. The loan audit result, 15 in Figure 1, of the compliance assessment is returned to the user/requestor or the loan origination system of the lending institution. See the description of Figure 1 in the passage from page 9, line 20 to page 10, line 2 of the specification, and the description of Figure 11 in the passage from page 13, line 24 to page 15, line 4 of the specification.

A typical embodiment of Appellant's invention is a computer-implemented system and method for auditing loan compliance that includes: (1) allowing a user to display, enter and store loan audit compliance data on a computer user interface shown as 21 in Figure 2; (2) allowing a user to interactively build loan compliance rules on a computer user interface, shown in Figures 6-8, and to store the loan compliance rules in a rules database, shown as 23 in Figure 2; and (3) responding to a loan audit request by retrieving the stored loan compliance rules and stored loan audit data, comparing the loan compliance rules to the loan audit data by the loan audit engine, shown as 12 in Figure 2, to determine a loan audit compliance result, and notifying a user of the loan audit compliance result. Alternatively, loan audit compliance data may be electronically transferred over a communications network, shown as 124 in Figure 11, from a user, shown as 125 in Figure 11, to a loan audit server computer, shown as 121 in Figure 11, for comparing the loan compliance rules, shown as 123 in Figure 11, to the loan audit data to determine a loan audit compliance result, and the loan audit compliance result may be electronically transferred from the loan audit server computer to the user, shown as 125 in Figure 11, over the communications network.

The method of claim 1 includes the steps of (a) entering and displaying loan audit data, (b) building loan compliance rules, and (c) responding to a loan audit request. The step of (a) allowing a user to display and enter loan audit compliance data comprises (i) receiving and

displaying loan audit data on a user interface of a computer system, as shown as 11 in Figure 1, 122 and 125 in Figure 11 described in the specification page 14, lines 16-21. The step (a) also comprises (ii) storing the loan audit data in a loan data database in the computer system, shown as 11 in Figure 1, 122 and 125 in Figure 11 and described in the specification page 14, lines 16-21.

The step in Appellant's method claim 1 of (b) allowing a user to interactively build loan compliance rules comprises (i) enabling the user to interactively build loan compliance rules on a user interface of the computer system, as shown as 21 in Figure 2 described in the specification page 10, lines 15-17, and Figure 10 described in the specification page 13, lines 7-23. The step (b) also comprises (ii) storing the loan compliance rules in a loan compliance rules database in the computer system, as shown as 13 in Figure 1, 23 in Figure 2 and described in specification page 10, lines 17-22, Figures 4-6 and associated description, and as 123 in Figure 11 described in the specification page 14, lines 7-8. Figure 10 and the associated description on page13, lines 7-23 of the specification describe a process for building loan compliance rules.

The step in Appellants method claim 1 of (c) responding to a loan audit request received from a user on a user interface of the computer system comprises (i) retrieving the loan compliance rules from the loan compliance rules database, as shown as 13 in Figure 1, 23 in Figure 2 described in the specification page 10, lines 17-22, and 123 in Figure 11 described in the specification page 14, lines 7-8. The step (c) also comprises (ii) retrieving the loan audit data from the loan data database, as shown as 11 in Figure 1, as 122 and 125 in Figure 11 and described in the specification page 14, lines 16-21. The step (c) further comprises (iii) comparing the loan compliance rules to the loan audit data to determine a loan audit compliance result, as shown as 12 and 15 in Figure 1 described in the specification page 9, line 22 through page 10,

line 2, and as 121 in Figure 11. The step (c) yet further comprises (iv) notifying the loan audit request user of the determined loan audit compliance result, as shown as 15 in Figure 1, as 122 and 125 in Figure 11 described in the specification page 14, lines 16-21.

The Appellant's method claim 2 includes the steps of (a) entering and displaying loan audit data, (b) building loan compliance rules, and (c) responding to a loan audit request. The step of (a) allowing a user to display and enter loan audit compliance data comprises (i) receiving and displaying loan audit data on a user interface of a computer system, as shown as 11 in Figure 1, 122 and 125 in Figure 11 described in the specification page 14, lines 16-21. The step (a) also comprises (ii) storing the loan audit data in a loan data database in the computer system, as shown as 11 in Figure 1, 122 and 125 in Figure 11 described in the specification page 14, lines 16-21.

The step of Appellant's method claim 2 of (b) allowing a user to interactively build loan compliance rules comprises (i) using applicable licenses for a geographic boundary, building loan compliance rules for all applicable licenses available within the geographic boundary, as shown as 21 in Figure 2 described in the specification page 10, lines 15-17, and Figure 10 described in the specification page 13, lines 7-23. The step (b) further comprises (ii) associating licenses from the applicable licenses with a loan originator to form a set of loan originator applicable licenses, as shown as 41 in Figure 4 and 91 in Figure 9 with associated specification descriptions, and storing the list of loan originator licenses in the loan compliance rules database in the computer system, as shown as 13 in Figure 1, as 23 in Figure 2 described in specification page 10, lines 17-22, Figures 4-6 and associated specification description, and as 123 in Figure 11 described in the specification page 14, lines 7-8.

The step of Appellant's method claim 2 of (c) responding to a loan audit request received from a user on a user interface of the computer system comprises (i) identifying a loan type and loan originator, as shown as 25 and 26 in Figure 2 and Figure 9 with associated specification description. The step (c) further comprises (ii) retrieving the loan originator licenses for the loan type and loan originator from the loan compliance rules database, as shown as 23, 25 and 26 in Figure 2, and Figure 5. The step (c) further comprises (iii) retrieving the loan compliance rules associated with the loan originator licenses from the loan compliance rules database, as shown in 23 and 25 in Figure 2 and Figure 4. The step (c) further comprises (iv) retrieving the loan audit data from the loan data database, as shown as 11 in Figure 1, and as 122 and 125 in Figure 11 as described in the specification page 14, lines 16-21. The step (c) further comprises (v) comparing the loan compliance rules with the loan audit data to determine a loan audit compliance result, as shown as 13, 12 and 15 in Figure 1, and as 122, 121 and 123 in Figure 11. The step (c) further comprises (vi) notifying the loan audit request user of the determined loan audit compliance result, as shown as 15 in Figure 1, and 122 and 125 in Figure 11.

Alternatively, loan audit compliance data, shown as 11 in Figure 1 and contained in a loan audit station 125 shown in Figure 11, may be electronically transferred over a communications network, shown as 124 in Figure 11, from a user 125 to a loan audit server computer 121 shown in Figure 11. The loan compliance rules, 123 in Figure 11, are compared to the loan audit data to determine a loan audit compliance result, 15 in Figure 1, and the loan audit compliance result may be electronically transferred from the loan audit server computer 121 to the user 125 over a communications network 124, as shown in Figure 11.

The method of Appellant's claim 22 comprises (a) electronically transferring loan data from a user interface embodied in a computer processor, 125 shown in Figure 11, to a loan audit

server computer, 121 in Figure 11, over a communications network, 124 in Figure 11 and the associated description of Figure 11. The method of claim 22 further comprises (b) at the user interface computer 21 in Figure 2, allowing a user to interactively build loan compliance rules, 23 in Figure 2, using compliance based rule variables, 22 in Figure 2, and rule building instructions, 20 in Figure 2. Figure 2 is described in the passage from page 10, line3 to page 11, line 12. Figures 6 and 7 depict display screens for modifying and for building compliance rules using rule-building instructions, described on page 10, lines 9-17, and page 12 lines 11-17. The step (b) of claim 22 comprises (i) using licenses applicable to the state, building rules for all applicable licenses available within the state, as shown in Figure 4 and described in the passage from page 11, line 22 to page 12, line 8 of the specification. Step (b) of claim 22 further comprises (ii) associating the applicable licenses with a loan originator to form a list of loan originator applicable licenses and storing the loan originator applicable licenses, as shown in Figure 9 and described in the passage from page 12, line 24 to page 13, line 6. The method of claim 22 further comprises (c) storing the loan compliance rules in a database, 123 in Figure 11, connected to the loan audit server computer, 121 in Figure 11.

Method claim 22 further comprises (d) in response to a loan audit request 125 in Figure 11, (i) identifying a loan type and the loan originator, Figure 9, (ii) retrieving the applicable licenses for the loan type and the loan originator by the loan server, Figure 9 and 121 in Figure 11, (iii) retrieving the loan compliance rules associated with the applicable licenses from the stored rules in the database by the loan server, Figure 8 and 123 in Figure 11, (iv) comparing the loan compliance rules, 13 in Figure 1, to loan data, 11 in Figure 1 to determine loan audit compliance results, 15 in Figure 1 by the loan server, 12 and 14 in Figure 1 and 121 in Figure 11,

and (v) electronically transferring the loan audit compliance results from the loan server, 121 in Figure 11, to the user, 125 in Figure 11, over a communications network, 124 in Figure 11.

The system of Appellant's claim 25 comprises (a) a user interface for displaying and entering loan compliance data, as shown in Figures 3, 4 and 5, and as 122 and 125 in Figure 11. The system further comprises (b) a loan server, shown as 121 in Figure 11, communication with the user interface that (i) allows a user to interactively build a set of compliance rules, as shown in Figure 10, and (ii) stores the loan compliance rules, as shown as 123 in Figure 11. In response to a loan audit request (iii), the (b) loan server identifies a loan type, as shown as 25 and 26 in Figure 2, determines the loan compliance rules that apply to the loan type, as shown as 24 in Figure 2, and compares the loan compliance rules, shown as 13 in Figure 1, to loan data associated with the loan audit request, as shown as 11 in Figure 1, to determine loan audit results, shown as 15 in Figure 1.

Note that as described in the first paragraph beginning on page 10, line 3 of Appellant's specification, the software provides means for building compliance rules in math-like equations to represent State and Federal requirements or restrictions, which are stored in a compliance rules data library. As described on page 2, line 17 to page 3, line 12 of Appellant's specification, the software audits compliance with laws or regulations, and utilizes an interface and data scheme for entering and storing compliance and lending rules. When a compliance request is received from a user, the software identifies the loan type and licenses required, and evaluates whether the data elements of a loan file comply with state and federal requirements for the applicable jurisdiction stored as compliance and lending rules. The software then responds to the user request by indicating compliance and noncompliance with applicable rules and requirements.

In contrast to Appellant's disclosed invention, the Acosta reference cited by the Office does not automatically determine compliance with State and Federal requirements using computer-encoded, math-like compliance rules to represent State and Federal requirements or restrictions. The Acosta reference discloses a method for determining compliance by an auditor by sampling a small number of closed and funded loans in a portfolio of closed and funded loans, whereby Appellant's invention may be used for automatically determining compliance of every pre-funded and funded loan without requiring the interaction with an auditor. There is also no disclosure of auditing loans for licensing requirements in the Acosta reference. According to the Acosta disclosure in column 2, line 13 to column 2, line 44, "the invention comprises computer-assisted method for auditing loan portfolios and loan servicing portfolios...comprising the steps of storing on a server a computer record for each loan in a portfolio; storing on the server rules which comprise each current and historical legal regulation and any investor-specific parameter applicable to each type of loan...storing on the server a set of questions to determine compliance with each regulation or parameter, each question keyed to one or more audit types; periodically adding questions to the set of questions as new regulations or parameters are promulgated;...automatically creating and transmitting to an auditor client workstation the audit sample subset of records and a checklist of questions keyed to the selected audit type; storing auditor's answers to the checklist questions,...storing any auditor recommendations...and automatically generating management reports comprising...". The Acosta disclosure describes storing the actual textual legal documents used to create a checklist of questions, which are sent to an auditor for answers. The auditor enters the answer to the checklist of questions and sends the answers back to a server where an Exception Rate is calculated and management reports are generated (see Acosta column 5, line 30, to column 6, line 20). The manually driven checklist

approach disclosed by Acosta is contrasted with the detailed algorithmically driven automated compliance rules analysis disclosed by Appellant.

6. ISSUES

The following issues are presented for review in this Appellant's Reply Brief:

Issue 1: Whether claims 1-20, 22-33, 39 and 41-42 are anticipated under 35 U.S.C. § 102 (e) by Acosta et al. (U.S. Patent No. 6,643,625); and

Issue 2: Whether claims 21, 34-38 and 40 are unpatentable under 35 U.S.C. 103(a) over Acosta et al. (U.S. Patent No. 6,643,625).

7. GROUPING OF CLAIMS

For each ground of rejection which Appellant contests herein that applies to more than one claim, such additional claims, to the extent separately identified and argued below, do not stand or fall together.

8. ARGUMENTS

8.1 General Discussion of the Lack of Establishment of a Prima Facie Case of Anticipation Applicable to All Claim Rejections under 35 U.S.C. Section 102(e)

The Office has rejected claims 1-20, 22-33, 39 and 41-42 under 35 U.S.C. § 102 (e) as being anticipated by Acosta et al. (U.S. Patent No. 6,643,625). The Office has the burden of establishing a *prima facie* case of anticipation. To establish a *prima facie* case of anticipation, the Office must provide (1) a single prior art reference (2) that teaches or enables (3) each of the claimed elements, arranged as in the claim, (4) expressly or inherently, (5) as interpreted by one of ordinary skill in the art. "A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference." *Verdegaal Bros. V. Union Oil Co. of California,* 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed.

Cir. 1987), MPEP § 2131. "Anticipation requires the presence in a single prior art reference disclosure of each and every element of the claimed invention, arranged as in the claim." *Lindemann Machinenfabrik GmbH v. American Hoist & Derrick Co.*, 730 F2d 1452, 221 USPQ 481, 485 (Fed. Cir. 1984). "In deciding the issue of anticipation, the trier of fact must identify the elements of the claims, determine their meaning in light of the specification and prosecution history, and identify corresponding elements disclosed in the allegedly anticipating reference." *Id.*, 221 USPQ at 485. During patent examination, the pending claims must be given their broadest reasonable interpretation consistent with the specification. *In re Hyatt, 211 F.3d 1367, 1372, 54 USPQ2d 1664, 1667 (Fed. Cir. 2000).*

The Office has failed to identify each and every element of Appellant's claims, to determine their meaning in light of the specification and prosecution history, and to identify corresponding elements disclosed in the allegedly anticipating reference, arranged as in the claims of Appellant's claimed invention. The Office has also given interpretation to the claims far beyond that which is a reasonable interpretation consistent with the specification.

There are significant patentably distinguishable differences between the cited reference of Acosta et al and Appellant's claimed invention. These differences arise from the fact that Appellant's invention is a computer-implemented method for auditing loan compliance with government loan lending and licensing requirements, as set forth in the preambles of claims 1, 2 and 22. The Acosta invention is a computer-assisted method for auditing loan portfolios and loan servicing portfolios. The Acosta reference generates a checklist of questions regarding a loan type, requires the intervention of an auditor for providing answers to checklist questions, stores the auditor's answers and recommendations in an audit trail database, calculates an Exception Rate based on the auditor's answers, and generates management reports. Appellant's invention is

a computer-implemented method that automatically determines loan compliance based on comparing computer-encoded rules derived from regulations with data in a loan compliance file, and notifies a user of an audit result. A comparison of the elements of the claims of Appellant's invention with alleged equivalents cited by the Office in the Acosta disclosure illustrates some of the patentably significant differences between the Acosta reference and Appellant's claimed invention. These differences are illustrated in the accompanying tables, and are described below.

8.11 Arguments for Independent Claim Rejections Under 35 U.S.C. § 102(e)

INDEPENDENT CLAIM 1

Independent claim 1 recites the elements of a claim to a computer-implemented method for auditing loan compliance with government loan lending and licensing requirements. The preamble of claim 1 recites "a computer-implemented method", which provides limitations to the claim that is necessary to give life, meaning and vitality to the claim. "If the claim preamble, when read in the context of the entire claim, recites limitations of the claim, or, if the claim preamble is 'necessary to give life, meaning, and vitality' to the claim, then the claim preamble should be construed as if in the balance of the claim." *Pitney Bowes, Inc. v. Hewlett-Packard Co., 55 F.3d 615, 620, 34 USPQ2d 1816, 1820 (Fed. Cir. 1995).* The preamble of claim 1 limits the claim to a computer-implemented method for auditing loan compliance that does not require intervention of a user once loan data has been received, loan compliance rules have been built, and an audit request has been initiated. Comparing the preamble of claim 1 with the Acosta reference, the Acosta reference discloses a "computer-assisted method" for auditing loan portfolios that requires the intervention of an auditor to provide answers to checklist questions for automatically generating management reports once loan portfolio data has been received, an audit sample subset of loan data has been automatically selected, and a checklist of questions has

been automatically selected according to a selected audit type. In contrast to the Acosta disclosure, Appellant's invention dies not look at an audit sample subset of loan data, but reviews every element within every loan file rather than a subset of loans or a subset of loan data.

Regarding the first element of Appellant's independent claim 1, the first element of claim 1 comprises "allowing a user to display and enter loan audit compliance data, comprising the steps of receiving and displaying loan audit data on a user interface of a computer system and storing the loan audit data in a loan data database in the computer system". The Office alleges that column 2, lines 13-17 of the Acosta reference disclose the first element of Appellant's claim 1. See rows 1, 1.1 and 1.2 of Table 1A for a comparison of the first limitation of claim 1 with the alleged equivalent in the Acosta reference cited by the Office. Column 2, lines 13-17 of the Acosta reference describe storing a computer record for each loan in a portfolio of loans on a server. There is no disclosure in Acosta of "allowing a user to display and enter loan audit compliance data, comprising the steps of receiving and displaying loan audit data on a user interface of a computer system and storing the loan audit data in a loan data database in the computer system".

Regarding the second element of Appellant's independent claim 1, the second element of claim 1 comprises "allowing a user to interactively build loan compliance rules, comprising the steps of enabling the user to interactively build loan compliance rules on a user interface of the computer system and storing the loan compliance rules in a loan compliance rules database in the computer system". The Office alleges that column 2, lines 13-27 and column 5, lines 30-37 of the Acosta reference discloses the second element of Appellant's claim 1. See rows 2, 2.1 and 2.2 of Table 1A for a comparison of the second limitation of claim 1 with the alleged equivalent

in the Acosta reference cited by the Office. Column 2, lines 13-27 of the Acosta reference describe storing on a server a computer record for each loan in a portfolio and server rules which comprise each current and historical legal regulation, a set of selectable audit types, a set of questions to determine compliance with each regulation or parameter, and a set of sampling criteria, selecting an audit sample subset. The paragraph in Acosta continues with the description in column 2, lines 29-41 describing automatically creating and transmitting to an auditor client workstation the audit sample subset of records and checklist questions, storing the auditor's answers to the checklist questions and any auditor recommendations, storing any auditor recommendations pertaining to any of the exceptions, and automatically generating management reports comprising the sampling criteria, an exception rate pertaining to the subset, a list of any loans in the subset which have exceptions and the exceptions pertaining to each loan, and any recommendations for cure of each type of exception found. Column 5, lines 30-37 of the Acosta reference describe customized checklists that are stored in tables in a database, which serve different purposes, so each review should have a unique set of questions directly pertaining to the scope of the review. The Acosta reference describes "storing current legal regulations 13 and historical legal regulations 14 on the computer system..." (see Acosta column 3, lines 46-48). The Acosta reference further describe "Based on the legal regulations which apply to each loan or loans servicing record, either current legal regulations 13 or historical legal regulations 14, investor-specific parameters 15, and other criteria 16 are referred to by the processor in generating a checklist 18. The checklist is customized to the aforementioned criteria, regulations, and parameters" (see Acosta column 5, lines 14-20). The Acosta reference also describes "Therefore, the checklist is prepared by the system for the auditor to use during the review, and the checkpoints or items on the checklist are particular to the sample being reviewed and are the

correct currently applicable ones based on current or applicable regulations and other rules." (see Acosta column 5, lines 51-56).

Reference is made to Appellant's specification on page 10, lines 9-15. "Rule building instructions and data 20 allow a user to build compliance rules using the base rule variables 22 and assembling them in math-like equations using operands (such as +, -, /, *, >, <, <=, >=, In) to represent a State or Federal requirement or restriction. A user interface 21, such as the rule building user interfaces shown in Fig. 7 and Fig. 8 allows a user to select the base variables and operands to assemble the desired rule and to store them in the rules library." In other words, according to Appellant's invention, the rules that a user is allowed to interactively build are computer instructions representing mathematical equations derived from laws and regulations.

The second element of claim 1 allows a user to build computer-readable rules derived from regulations that are used for automatically determining compliance by a computer system. The Acosta reference describes a computer system for generating checklists derived from stored textual regulations that are used by an auditor to manually answer a set of related questions for calculating an Exception Rule (see Acosta column 5, lines 65-67 and column 6, lines 1-6). There is no disclosure in Acosta of "allowing a user to interactively build loan compliance rules, comprising the steps of enabling the user to interactively build loan compliance rules on a user interface of the computer system and storing the loan compliance rules in a loan compliance rules database in the computer system". The Acosta disclosure merely describes storing textual copies of regulation and requirements, and does not disclose interactively building loan compliance rules.

Regarding the third element of Appellant's independent claim 1, the third element of claim 1 comprises "responding to a loan audit request received from a user on a user interface of

the computer system, comprising the steps of retrieving the loan compliance rules from the loan compliance rules database, retrieving the loan audit data from the loan data database, comparing the loan compliance rules to the loan audit data to determine a loan audit compliance result, and notifying the loan audit request user of the determined loan audit compliance result." The Office alleges that column 2, lines 23-43, column 5, lines 52-59 and column 4, line 67 to column 8, line 7 of the Acosta reference disclose Appellant's "comparing the loan compliance rules to the loan audit data to determine a loan audit compliance result". See rows 3, 3.1, 3.2 and 3.3 of Table 1B and Table 1C for a comparison of the third limitation of claim 1 with the alleged equivalent in the Acosta reference cited by the Office. Column 2, lines 23-43 of the Acosta reference describe periodically adding questions to the set of questions to reflect new regulations, storing a set of sampling criteria comprising historical error rates, confidence levels and precision, automatically selecting an audit sample subset of records, automatically creating and transmitting to an auditor workstation the audit sample subset of records and a checklist of questions, storing auditor's answers to the checklist questions, storing auditors recommendations, and automatically generating management reports. Column 5, lines 52-59 of the Acosta reference describe a checklist prepared by the system for the auditor to use during the review, and the checkpoints or items on the checklist are particular to the sample being reviewed and are the correct currently applicable ones bases on current or applicable regulations. Column 4, line 67 to column 8, line 7 describe the system for generating a checklist of questions for an auditor to answer for determining an Exception Rate, and tables of typical checklist questions and auditor recommendations. Appellant's invention does not generate a checklist for review by an auditor, but reviews every single data element within a loan file of every loan for determination of compliance. In Appellant's invention, there is no subjective analysis or room for errors in human

judgment, but includes a pure computer determination of compliance based on detailed specific elements within the rule equations for comparing to each data element in a loan file. Appellant's claimed invention does not use an "exception rate" as in Acosta, but provides a pure pass/fail binary determination of whether a loan file is in compliance or not in compliance with regulatory requirements, without the need for an auditor recommendation. There is no disclosure in the Acosta reference of "comparing the loan compliance rules to the loan audit data to determine a loan audit compliance result". Appellant's loan compliance rules used by the software program for automatically determining compliance are patentably distinguishable from the checklist questions of Acosta for determining an Exception Rate based on manually entered auditor's answers to checklist questions. The Office also alleges that column 2, lines 48-56 and column 8, lines 51-67 of the Acosta reference disclose Appellant's "notifying the loan audit request user of the determined loan audit compliance result." Column 2, lines 48-56 of the Acosta reference describe hyperlinks to management reports, and audit reports and manager responses stored in an audit trail. Column 8, lines 51-67 of the Acosta reference describe auditor ability to make recommendations, which may be stored on a computer, and management reports. There is no disclosure in the Acosta reference for "notifying the loan audit request user of the determined loan audit compliance result". Appellant's loan audit compliance result resulting from comparing loan compliance rules with loan audit data is patentably distinguishable from the checklist answers, recommendations, and management reports disclosed in the Acosta reference.

It should also be noted that, in addition to the arguments presented above and the lack of compliance rule building disclosure in Acosta, the compliance rules of Appellant's invention are patentably distinguishable from the checklist questions presented to an auditor. This may be illustrated by comparing Appellant's compliance rules shown in Figure 6 and Figure 8 of

Appellant's specification with the auditor checklist questions shown in Table 2 of the Acosta disclosure. As shown in Appellant' Figure 6 and Figure 8, Appellant's compliance rules comprise mathematical computations and comparisons with corresponding values in a loan data file, which are easily processed by a computer, without the need for human intervention. To determine answers to the checklist questions shown in Table 2 of the Acosta disclosure, the skills of a trained auditor are required for determining answers to the checklist questions that depend on human judgment, and are not amenable to being processed by computer logic. There is not only no need for human intervention for entering data in Applicant's claimed invention, but there is also no need for human analysis or interpretation in responding to questions or determining what data is or is not relevant to answers to checklist questions. Appellant's claimed invention eliminates the requirement for a human judgment call for a particular loan by analyzing pure data and applying every detail of that data against detailed computer equations.

Since the Office has failed to identify each and every element of Appellant's claim 1, to determine their meaning in light of the specification and prosecution history, and to identify corresponding elements disclosed in the allegedly anticipating reference of Acosta, arranged as in the claims of Appellant's claimed invention, there is insufficient basis to support a rejection of Appellant's claim 1 under 35 U.S.C. § 102(e). Therefore, the rejection of claim 1 should be withdrawn.

COMPARISON OF INDEPENDENT CLAIM 1 LIMITATIONS WITH PASSAGES CITED BY THE OFFICE		
CLAIM LIMITATIONS	CITATION	OFFICE ASSERTED EQUIVALENT IN ACOSTA
1. "a. allowing a user to display and enter loan audit compliance data, comprising the steps of" 1.1 "i. receiving and displaying loan audit data on a user interface of a computer system" 1.2 "ii. storing the loan audit data in a loan data database in the computer system"	Column 2, Lines 13-17	"In another respect, the invention comprises computer assisted method of auditing loan portfolios and loan servicing portfolios wherein loans are a plurality of types comprising the steps of storing on a server a computer record for each loan in a portfolio"
2. "b allowing a user to interactively build loan compliance rules, comprising the steps of:" 2.1 "i. enabling the user to interactively build loan compliance rules on a user interface of the computer system"	Column 2, Lines 13-27	A computer assisted method of auditing loan portfolios comprising: - storing on a server a computer record for each loan in a portfolio and rules which comprise each current and historical legal regulation - storing on the server a set of selectable audit types - <u>storing on the server a set of questions to determine compliance with each regulation or parameter, each question keyed to one or more audit types</u> - periodically adding questions to the set of questions as new regulations or parameters are promulgated - storing on the server a set of sampling criteria comprising historical error rates, confidence intervals, and precision - automatically selecting an audit sample subset of records according to one or more selected audit types and applicable sampling criteria
2.2 "ii. storing the loan compliance rules in a loan compliance rules database in the computer system"	Column 5, Lines 30-37	"Due to the complexity of loan servicing operation, checklists are customized to serve different purposes, so each review should have a unique set of questions directly pertaining to the scope of the review… Checklists are also stored on Tables on the database."

TABLE 1A

COMPARISON OF INDEPENDENT CLAIM 1 LIMITATIONS WITH PASSAGES CITED BY THE OFFICE		
CLAIM LIMITATIONS	CITATION	OFFICE ASSERTED EQUIVALENT IN ACOSTA
3. "c. responding to a loan audit request received from a user on a user interface of the computer system, comprising the steps of" 3.1 "i. retrieving the loan compliance rules from the loan compliance rules database" 3.2 "ii. retrieving the loan audit data from the loan data database" 3.3 "iii. comparing the loan compliance rules to the loan audit data to determine a loan audit compliance result"	Column 2, Lines 23-43	A computer assisted method of auditing loan portfolios further comprising: - periodically adding questions to the set of questions as new regulations or parameters are promulgated - storing on the server a set of sampling criteria comprising historical error rates, confidence intervals, and precision - automatically selecting an audit sample subset of records according to one or more selected audit types and applicable sampling criteria - automatically creating and transmitting to an auditor client workstation an audit sample subset of records and a checklist of questions keyed to the selected audit type - storing auditor's answers to the checklist questions, including exceptions - storing any auditor recommendations pertaining to any of the exceptions - automatically generating management reports comprising the sampling criteria, an exception rate pertaining to the subset, a list of any loans in the subset which have exceptions and the exceptions pertaining to each loan, and any recommendations for cure of each type of exception found.
	Column 5, Lines 52-59	The checklist is prepared by the system for the auditor to use during the review, and the items on the checklist are particular to the sample being reviewed and are the correct currently applicable ones based on current and applicable regulations and other rules.

TABLE 1B

COMPARISON OF INDEPENDENT CLAIM 1 LIMITATIONS WITH PASSAGES CITED BY THE OFFICE		
CLAIM LIMITATIONS	CITATION	OFFICE ASSERTED EQUIVALENT IN ACOSTA
3.1, 3.2 and 3.3 continued	Column 4, Line 67 to Column 8, line 7	This citation is a description of the loan portfolio auditing process. "There are typically at least 3,000 unique questions in the list from which a checklist for a particular type of audit is constructed by this system... The questions are in effect rules which are called up when an included type of audit is requested, but are otherwise not called up so they are not included in the questionnaire when inappropriate for the selected audit." The system generates an audit sample subset of loan records based on the selected audit's criteria. "Therefore, the checklist is prepared by the system for the auditor to use during the review, and the checkpoints or items on the checklist are particular to the sample being reviewed and are the correct currently applicable ones based on current or applicable regulations and other rules... The system (program) uses the checklists and specifically the checkpoints within them to calculate the Exception Rate..." "As can be seen from Table 2, a large number of items are presented to the auditor in a typical audit."
3.4 "iv. notifying the loan audit request user of the determined loan audit compliance result"	Column 2, Lines 48-56	The management reports can be automatically e-mailed to appropriate managers, and audit reports containing exceptions can be stored in an audit trail record.
	Column 8, Lines 51-67	The auditor can make recommendations, and all recommendations and exceptions are stored in the computer system and processed to generate management reports, which include sampling criteria and exception rates.

TABLE 1C

INDEPENDENT CLAIM 2

Independent claim 2 recites the elements of a claim to a computer-implemented method for auditing loan compliance with government loan lending and licensing requirements. The preamble of claim 2 recites "a computer-implemented method", which provides limitations to the claim that is necessary to give life, meaning and vitality to the claim. "If the claim preamble, when read in the context of the entire claim, recites limitations of the claim, or, if the claim preamble is 'necessary to give life, meaning, and vitality' to the claim, then the claim preamble should be construed as if in the balance of the claim." *Pitney Bowes, Inc. v. Hewlett-Packard Co., 55 F.3d 615, 620, 34 USPQ2d 1816, 1820 (Fed. Cir. 1995).* The preamble of claim 2 limits the claim to a computer-implemented method for auditing loan compliance that does not require intervention of a user once loan data has been received, loan compliance rules have been built, and an audit request has been initiated. Comparing the preamble of claim 2 with the Acosta reference, the Acosta reference discloses a "computer-assisted method" for auditing loan portfolios that requires the intervention of an auditor to provide answers to checklist questions for automatically generating management reports once loan portfolio data has been received, an audit sample subset of loan data has been automatically selected, and a checklist of questions has been automatically selected according to a selected audit type.

Turning to Appellant's independent claim 2, the Office has rejected the limitations of claim 2 by referencing similar rationale as presented with regard to claim 1. The rebuttal arguments presented above with regard to the first limitation of independent claim 1 apply equally to rebut the Office's allegations regarding the first limitation of independent claim 2.

Regarding the second element of Appellant's claim 2, the second element of Appellant's claim 2 includes the limitations "using applicable licenses for a geographic boundary, building

loan compliance rules for all applicable licenses available within the geographic boundary and storing the loan compliance rules in a loan compliance rules database in the computer system, and associating licenses from the applicable licenses with a loan originator to form a set of loan originator applicable licenses and storing the list of loan originator licenses in the loan compliance rules database in the computer system". See rows 2, 2.1 and 2.2 of Table 2B for a comparison of the second limitation of claim 2 with the alleged equivalent in the Acosta reference cited by the Office. There is no disclosure of building loan compliance rules anywhere in the Acosta disclosure, and particularly in the passages cited by the Office (column 4, lines 7-20 and column 4, lines 50-66). Furthermore, there is no disclosure in Acosta of building loan compliance rules for all applicable licenses, or associating licenses with a loan originator to form a set of loan originator applicable licenses. There is no mention of licenses anywhere in the Acosta reference.

Regarding the third element of Appellant's claim 2, the third element of Appellant's claim 2 includes the limitations, "responding to a loan audit request received from a user on a user interface of the computer system, comprising the steps of identifying a loan type and loan originator, retrieving the loan originator licenses for the loan type and loan originator from the loan compliance rules database, retrieving the loan compliance rules associated with the loan originator licenses from the loan compliance rules database, retrieving the loan audit data from the loan data database, comparing the loan compliance rules with the loan audit data to determine a loan audit compliance result, and notifying the loan audit request user of the determined loan audit compliance result." See rows 3, and 3.1-3.6 of Table 2C and Table 2D for a comparison of the third limitation of claim 2 with the alleged equivalent in the Acosta reference cited by the Office. There is no disclosure of responding to a loan audit request anywhere in the Acosta

disclosure, and particularly in the passages cited by the Office (column 2, lines 23-43, column 5, lines 52-59, and column 4, line 67 to column 8, line 7 and column 4, lines 50-66). Furthermore, there is no disclosure in Acosta of identifying a loan type and loan originator, retrieving the loan originator licenses for the loan type and loan originator from the loan compliance rules database, retrieving the loan compliance rules associated with the loan originator licenses from the loan compliance rules database, retrieving the loan audit data from the loan data database, and comparing the loan compliance rules with the loan audit data to determine a loan audit compliance result. The Office also alleges that column 2, lines 48-56 and column 8, lines 51-67 of the Acosta reference disclose Appellant's "notifying the loan audit request user of the determined loan audit compliance result." Column 2, lines 48-56 of the Acosta reference describe hyperlinks to management reports, and audit reports and manager responses stored in an audit trail. Column 8, lines 51-67 of the Acosta reference describe auditor ability to make recommendations, which may be stored on a computer, and management reports. There is no disclosure in the Acosta reference for "notifying the loan audit request user of the determined loan audit compliance result". Appellant's loan audit compliance result resulting from comparing loan compliance rules with loan audit data is patentably distinguishable from the checklist answers, recommendations, and management reports disclosed in the Acosta reference.

By the very nature of checklist questions, they are limited in the types of questions that can be asked for anticipating a positive or negative answer. Checklist questions are dependent on a person to determine the full scope of questions relevant to a particular loan type or loan review. Appellant's invention does not rely on a checklist of a finite set of questions with positive or negative answers, but instead looks at every data element in a loan file and tests each and every

data element against detailed specific elements within each rule equation to determine whether any single element in the loan file is in violation of any compliance requirement.

Since the Office has failed to identify each and every element of Appellant's claim 2, to determine their meaning in light of the specification and prosecution history, and to identify corresponding elements disclosed in the allegedly anticipating reference of Acosta, arranged as in the claims of Appellant's claimed invention, there is insufficient basis to support a rejection of Appellant's claim 2 under 35 U.S.C. § 102(e). Therefore, the rejection of claim 2 should be withdrawn.

COMPARISON OF INDEPENDENT CLAIM 2 LIMITATIONS WITH PASSAGES CITED BY THE OFFICE		
CLAIM LIMITATIONS	CITATION	OFFICE ASSERTED EQUIVALENT IN ACOSTA
1. "a. allowing a user to display and enter loan audit compliance data, comprising the steps of" 1.1 "i. receiving and displaying loan audit data on a user interface of a computer system" 1.2 "ii. storing the loan audit data in a loan data database in the computer system"	Column 2, Lines 13-17	"In another respect, the invention comprises computer assisted method of auditing loan portfolios and loan servicing portfolios wherein loans are a plurality of types comprising the steps of storing on a server a computer record for each loan in a portfolio"
2. "b allowing a user to interactively build loan compliance rules on a user interface of the computer system, comprising the steps of:"	Column 2, Lines 13-27	A computer assisted method of auditing loan portfolios comprising: - storing on a server a computer record for each loan in a portfolio and rules which comprise each current and historical legal regulation - storing on the server a set of selectable audit types - <u>storing on the server a set of questions to determine compliance with each regulation or parameter, each question keyed to one or more audit types</u> - periodically adding questions to the set of questions as new regulations or parameters are promulgated - storing on the server a set of sampling criteria comprising historical error rates, confidence intervals, and precision - automatically selecting an audit sample subset of records according to one or more selected audit types and applicable sampling criteria

TABLE 2A

COMPARISON OF INDEPENDENT CLAIM 2 LIMITATIONS WITH PASSAGES CITED BY THE OFFICE		
CLAIM LIMITATIONS	CITATION	OFFICE ASSERTED EQUIVALENT IN ACOSTA
2.1 "i. using applicable licenses for a geographic boundary, building loan compliance rules for all applicable licenses available within the geographic boundary and storing the loan compliance rules in a loan compliance rules database in the computer system" 2.2 "ii. associating licenses from the applicable licenses with a loan originator to form a set of loan originator applicable licenses and storing the list of loan originator licenses in the loan compliance rules database in the computer system"	Column 4, Lines 7-20	"In the mortgage origination and mortgage servicing industries there are a large number of audit types which are typically performed periodically, but each type is performed over differing time periods." "Each type of audit can be separately defined. There are some types of audits which are used for loan originations, and other types for loan servicing, while other types may be for loans on property in a certain geographic area such as state, and others for investors. Typically there are over 100 types of audits. And each has a corresponding and unique set of questions that must be answered. The applicable questions may vary as regulations and parameters are changed over time. Table 1 sets forth a few of those audit types."
	Column 4, Lines 50-66	"There are typically at least 3,000 unique questions in the list from which a checklist for a particular type of audit is constructed by this system... The questions are in effect rules which are called up when an included type of audit is requested, but are otherwise not called up so they are not included in the questionnaire when inappropriate for the selected audit." The system generates an audit sample subset of loan records based on the selected audit's criteria.

TABLE 2B

COMPARISON OF INDEPENDENT CLAIM 2 LIMITATIONS WITH PASSAGES CITED BY THE OFFICE		
CLAIM LIMITATIONS	CITATION	OFFICE ASSERTED EQUIVALENT IN ACOSTA
3. "c. responding to a loan audit request received from a user on a user interface of the computer system, comprising the steps of:" 3.1 "i. identifying a loan type and loan originator" 3.2 "ii. retrieving the loan originator licenses for the loan type and loan originator from the loan compliance rules database" 3.3 "iii. retrieving the loan compliance rules associated with the loan originator licenses from the loan compliance rules database" 3.4 "iv retrieving the loan audit data from the loan data database" 3.5 "v. comparing the loan compliance rules with the loan audit data to determine a loan audit compliance result"	Column 2, Lines 23-43	A computer assisted method of auditing loan portfolios further comprising: - periodically adding questions to the set of questions as new regulations or parameters are promulgated - storing on the server a set of sampling criteria comprising historical error rates, confidence intervals, and precision - automatically selecting an audit sample subset of records according to one or more selected audit types and applicable sampling criteria - automatically creating and transmitting to an auditor client workstation an audit sample subset of records and a checklist of questions keyed to the selected audit type - storing auditor's answers to the checklist questions, including exceptions - storing any auditor recommendations pertaining to any of the exceptions - automatically generating management reports comprising the sampling criteria, an exception rate pertaining to the subset, a list of any loans in the subset which have exceptions and the exceptions pertaining to each loan, and any recommendations for cure of each type of exception found.
	Column 5, Lines 52-59	The checklist is prepared by the system for the auditor to use during the review, and the items on the checklist are particular to the sample being reviewed and are the correct currently applicable ones based on current and applicable regulations and other rules.

TABLE 2C

COMPARISON OF INDEPENDENT CLAIM 2 LIMITATIONS WITH PASSAGES CITED BY THE OFFICE		
CLAIM LIMITATIONS	CITATION	OFFICE ASSERTED EQUIVALENT IN ACOSTA
3.1-3.6 continued	Column 4, Line 67 to Column 8, line 7	This citation is a description of the loan portfolio auditing process. "There are typically at least 3,000 unique questions in the list from which a checklist for a particular type of audit is constructed by this system... The questions are in effect rules which are called up when an included type of audit is requested, but are otherwise not called up so they are not included in the questionnaire when inappropriate for the selected audit." The system generates an audit sample subset of loan records based on the selected audit's criteria. "Therefore, the checklist is prepared by the system for the auditor to use during the review, and the checkpoints or items on the checklist are particular to the sample being reviewed and are the correct currently applicable ones based on current or applicable regulations and other rules... The system (program) uses the checklists and specifically the checkpoints within them to calculate the Exception Rate..." "As can be seen from Table 2, a large number of items are presented to the auditor in a typical audit."
3.6 "vi notifying the loan audit request user of the determined loan audit compliance result""	Column 2, Lines 48-56	The management reports can be automatically e-mailed to appropriate managers, and audit reports containing exceptions can be stored in an audit trail record.
	Column 8, Lines 51-67	The auditor can make recommendations, and all recommendations and exceptions are stored in the computer system and processed to generate management reports, which include sampling criteria and exception rates.

TABLE 2D

INDEPENDENT CLAIM 22

Independent claim 22 recites the elements of a claim to a computer-implemented method for auditing loan compliance with government and loan lending requirements. The preamble of claim 22 recites "a computer-implemented method", which provides limitations to the claim that is necessary to give life, meaning and vitality to the claim. "If the claim preamble, when read in the context of the entire claim, recites limitations of the claim, or, if the claim preamble is 'necessary to give life, meaning, and vitality' to the claim, then the claim preamble should be construed as if in the balance of the claim." *Pitney Bowes, Inc. v. Hewlett-Packard Co., 55 F.3d 615, 620, 34 USPQ2d 1816, 1820 (Fed. Cir. 1995).* The preamble of claim 22 limits the claim to a computer-implemented method for auditing loan compliance that does not require intervention of a user once loan data has been received, loan compliance rules have been built, and an audit request has been initiated. Comparing the preamble of claim 22 with the Acosta reference, the Acosta reference discloses a "computer-assisted method" for auditing loan portfolios that requires the intervention of an auditor to provide answers to checklist questions for automatically generating management reports once loan portfolio data has been received, an audit sample subset of loan data has been automatically selected, and a checklist of questions has been automatically selected according to a selected audit type.

Turning to Appellant's independent claim 22, the Office has presented no arguments for the rejection of Appellant's claim 22. However, Appellant presents the following arguments for patentability of claim 22, and assumes the arguments presented by the Office for claims 1 and 2 would be applied to this claim 22. As evidence of "automatically determining compliance", claim 22 recites the limitations in response to a loan audit request of (1) retrieving applicable licenses by the loan server, (2) retrieving loan compliance rules from stored rules in the database

by the loan server, (3)comparing the loan compliance rules to loan data to determine audit compliance results by the loan server, and (4) electronically transferring the loan audit compliance results from the loan server to the user over a communications network. There is no disclosure of these limitations for "automatically determining compliance" in the Acosta reference.

Regarding the first element of Appellant's claim 22, the first element of claim 22 includes the limitation, "electronically transferring loan data from a user interface embodied in a computer processor to a loan audit server computer over a communications network". As shown in row 1 of Table 3A, it appears that this element is described in the Acosta reference. Row 1 of Table 3A illustrates a comparison of the first limitation of claim 22 with an alleged equivalent in the Acosta reference cited by the Office.

Regarding the second element of Appellant's claim 22, the second element of Appellant's claim 22 includes the limitations "using applicable licenses for a geographic boundary, building loan compliance rules for all applicable licenses available within the geographic boundary and storing the loan compliance rules in a loan compliance rules database in the computer system, and associating licenses from the applicable licenses with a loan originator to form a set of loan originator applicable licenses and storing the list of loan originator licenses in the loan compliance rules database in the computer system". See row 2, 2.1 and 2.2 of Table 2B for a comparison of the second limitation of claim 22 with the alleged equivalent in the Acosta reference cited by the Office. There is no disclosure of building loan compliance rules using compliance based rule variables and rule building instructions anywhere in the Acosta disclosure, and particularly in the passages cited by the Office (column 4, lines 7-20 and column 4, lines 50-66). Furthermore, there is no disclosure in Acosta of building loan compliance rules

for all applicable licenses, or associating licenses with a loan originator to form a set of loan originator applicable licenses. There is no mention of licenses anywhere in the Acosta reference.

Regarding the third element of Appellant's claim 22, the third element of Appellant's claim 22 includes the limitation, "storing the loan compliance rules in a database connected to the loan audit server computer". Row 3 of Table 3C illustrates a comparison of the first limitation of claim 22 with an alleged equivalent in the Acosta reference cited by the Office. As shown in row 3 of Table 3C, although the Acosta reference discloses storing on a server a set of questions to determine compliance with each regulation and parameter, there is no disclosure in the Acosta reference of storing loan compliance rules. The second element of this claim includes "allowing a user to interactively build compliance rules using compliance based rule variables and rule building instructions". Note that the description on page 3, lines 18-21 of Appellant's specification includes "The system and computer-implemented method of use of the present invention automates the determination of Federal and State compliance through the application of rules, tests and calculations on a set of data that represents an application for credit, that is a loan application." The description on page 5, lines 17-21 of Appellant's specification include "The compliance base rule variables represent data elements in a loan file. The rule building instructions comprise allowing the user to build rules by specifying equations using base rule variables." Furthermore, Appellant's description on page 10, lines 5-15 includes "Compliance base rule variables 22 are the elements that the loan compliance rules and data 13 are constructed from. The compliance base rule variables 22 represent data elements in a loan file. Items such as prepaid interest or the sum of broker fees can be represented and stored as compliance base rule variables 22. Rule building instructions and data 20 allow a user to build compliance rules using the base variables 22 and assembling them in math-like equations using operands (such as +, -, /,

*, >, <, <=, >=, ln) to represent a State or Federal requirement or restriction. A user interface 21, such as the rule building user interface shown in Fig. 7 and Fig. 8 allows a user to select the base variables and operands to assemble the desired rule and to store them in the rule library." In other words, the disclosed loan compliance rules are detailed algorithmic equations, rendering in a computer-readable format the specific elements of individual compliance requirements taken from relevant federal, state, and local laws. Each and every data element within a loan file is then compared against each of these detailed equations.

Regarding the fourth element of Appellant's claim 22, the fourth element of Appellant's claim 22 includes the limitations, "in response to a loan audit request, identifying a loan type and the loan originator, retrieving the applicable licenses for the loan type and the loan originator by the loan server, retrieving the loan compliance rules associated with the applicable licenses from the stored rules in the database by the loan server, comparing the loan compliance rules to the loan data to determine loan audit compliance results by the server, and electronically transferring the loan audit compliance results from the loan server to the user over a communications network." See rows 4, and 4.1-4.6 of Table 3D for a comparison of the fourth limitation of claim 22 with the alleged equivalent in the Acosta reference cited by the Office. There is no disclosure of responding to a loan audit request anywhere in the Acosta disclosure, and particularly in the passages cited by the Office (column 2, lines 23-43 and column 5, lines 52-59). Furthermore, there is no disclosure in Acosta of identifying a loan type and loan originator, retrieving the applicable licenses for the loan type and loan originator by the loan server, retrieving the loan compliance rules associated with the applicable licenses from the stored rules in the database by the loan server, comparing the loan compliance rules to the loan data to determine a loan audit compliance result by the loan server, and electronically transferring the loan audit compliance

results from the loan server to the user over a communications network. Appellant's loan audit compliance result resulting from comparing loan compliance rules with loan audit data by the loan server is patentably distinguishable from the checklist answers, recommendations, and management reports disclosed in the Acosta reference.

Since the Office has failed to identify each and every element of Appellant's claim 22, to determine their meaning in light of the specification and prosecution history, and to identify corresponding elements disclosed in the allegedly anticipating reference of Acosta, arranged as in the claims of Appellant's claimed invention, there is insufficient basis to support a rejection of Appellant's claim 2 under 35 U.S.C. § 102(e). Therefore, the rejection of claim 22 should be withdrawn.

COMPARISON OF INDEPENDENT CLAIM 22 LIMITATIONS WITH PASSAGES CITED BY THE OFFICE		
CLAIM LIMITATIONS	CITATION	OFFICE ASSERTED EQUIVALENT IN ACOSTA
1. "a. electronically transferring loan data from a user interface embodied in a computer processor to a loan audit server computer over a communications network"	Column 9, Lines 37-45	Description of Figure 2 disclosing one or more processors and one or more servers connected to a global communications network.
2. "b at the user interface computer, allowing a user to interactively build loan compliance rules using compliance based rule variables and rule building instructions comprising:"	Column 2, Lines 13-27	A computer assisted method of auditing loan portfolios comprising: - storing on a server a computer record for each loan in a portfolio and rules which comprise each current and historical legal regulation - storing on the server a set of selectable audit types - storing on the server a set of questions to determine compliance with each regulation or parameter, each question keyed to one or more audit types - periodically adding questions to the set of questions as new regulations or parameters are promulgated - storing on the server a set of sampling criteria comprising historical error rates, confidence intervals, and precision - automatically selecting an audit sample subset of records according to one or more selected audit types and applicable sampling criteria

TABLE 3A

COMPARISON OF INDEPENDENT CLAIM 22 LIMITATIONS WITH PASSAGES CITED BY THE OFFICE		
CLAIM LIMITATIONS	CITATION	OFFICE ASSERTED EQUIVALENT IN ACOSTA
2.1 "i. using licenses applicable to the state, building rules for all applicable licenses available within the state" 2.2 "ii. associating the applicable licenses with a loan originator to form a list of loan originator applicable licenses and storing the loan originator applicable licenses"	Column 4, Lines 7-20	"In the mortgage origination and mortgage servicing industries there are a large number of audit types which are typically performed periodically, but each type is performed over differing time periods." "Each type of audit can be separately defined. There are some types of audits which are used for loan originations, and other types for loan servicing, while other types may be for loans on property in a certain geographic area such as state, and others for investors. Typically there are over 100 types of audits. And each has a corresponding and unique set of questions that must be answered. The applicable questions may vary as regulations and parameters are changed over time. Table 1 sets forth a few of those audit types."
	Column 4, Lines 50-66	"There are typically at least 3,000 unique questions in the list from which a checklist for a particular type of audit is constructed by this system... The questions are in effect rules which are called up when an included type of audit is requested, but are otherwise not called up so they are not included in the questionnaire when inappropriate for the selected audit." The system generates an audit sample subset of loan records based on the selected audit's criteria.

TABLE 3B

COMPARISON OF INDEPENDENT CLAIM 22 LIMITATIONS WITH PASSAGES CITED BY THE OFFICE		
CLAIM LIMITATIONS	CITATION	OFFICE ASSERTED EQUIVALENT IN ACOSTA
3. "c. storing the loan compliance rules in a database connected to the loan audit server computer"	Column 2, Lines 13-27	A computer assisted method of auditing loan portfolios comprising: - storing on a server a computer record for each loan in a portfolio and rules which comprise each current and historical legal regulation - storing on the server a set of selectable audit types - storing on the server a set of questions to determine compliance with each regulation or parameter, each question keyed to one or more audit types - periodically adding questions to the set of questions as new regulations or parameters are promulgated - storing on the server a set of sampling criteria comprising historical error rates, confidence intervals, and precision - automatically selecting an audit sample subset of records according to one or more selected audit types and applicable sampling criteria

TABLE 3C

COMPARISON OF INDEPENDENT CLAIM 22 LIMITATIONS WITH PASSAGES CITED BY THE OFFICE		
CLAIM LIMITATIONS	CITATION	OFFICE ASSERTED EQUIVALENT IN ACOSTA
4. "d. in response to a loan audit request:" 4.1 "i. identifying a loan type and the loan originator" 4.2 "ii. retrieving the applicable licenses for the loan type and the loan originator by the loan server" 4.3 "iii. retrieving the loan compliance rules associated with the applicable licenses from the stored rules in the database by the loan server" 4.4 "iv. comparing the loan compliance rules to loan data to determine loan audit compliance results by the loan server" 4.5 "v. electronically transferring the loan audit compliance results from the loan server to the user over a communications network."	Column 2, Lines 23-43	A computer assisted method of auditing loan portfolios further comprising: - periodically adding questions to the set of questions as new regulations or parameters are promulgated - storing on the server a set of sampling criteria comprising historical error rates, confidence intervals, and precision - automatically selecting an audit sample subset of records according to one or more selected audit types and applicable sampling criteria - automatically creating and transmitting to an auditor client workstation an audit sample subset of records and a checklist of questions keyed to the selected audit type - storing auditor's answers to the checklist questions, including exceptions - storing any auditor recommendations pertaining to any of the exceptions - automatically generating management reports comprising the sampling criteria, an exception rate pertaining to the subset, a list of any loans in the subset which have exceptions and the exceptions pertaining to each loan, and any recommendations for cure of each type of exception found.
	Column 5, Lines 52-59	The checklist is prepared by the system for the auditor to use during the review, and the items on the checklist are particular to the sample being reviewed and are the correct currently applicable ones based on current and applicable regulations and other rules.

TABLE 3D

INDEPENDENT CLAIM 25

Turning to Appellant's independent claim 25, the Office has rejected the limitations of claim 25 by referencing similar rationale as presented with regard to claim 1. The following rebuttal arguments more accurately differentiate Appellant's claimed invention from the features cited in the Acosta reference. Claim 25 supports the feature of "automatically determining compliance" by reciting the limitations of a loan server that (1) allows a user to interactively build a set of loan compliance rules using compliance base rule variables and rule building instructions, (2) stores the loan compliance rules, and in response to a loan audit request (3) identifies a loan type, (4) determines the loan compliance rules that apply to the loan type, and (5) compares the loan compliance rules to loan data associated with the loan audit request to determine loan audit results. A loan server is recognized as a computer that may execute instructions to automatically carry out steps of a method, as claimed and disclosed in Appellant's specification. There is no disclosure of these limitations for "automatically determining compliance" in the Acosta reference.

Regarding the first element of Appellant's claim 25, the first element of Appellant's claim 25 includes the limitation, "a user interface for displaying and entering loan audit compliance data". The Office has cited column 2, lines 13-17 in the Acosta reference as disclosing this limitation. Row 1 of Table 4A illustrates a comparison of the first limitation of claim 25 with an alleged equivalent in the Acosta reference cited by the Office. Appellants are unable to find a disclosure of displaying and entering loan audit compliance data in the Acosta reference.

Regarding the second element of Appellant's claim 25, the first two limitations of the second element include the recitations, "a loan audit server communicating with the user

interface that allows a user to interactively build a set of loan compliance rules using compliance base rule variables and rule building instructions" and "stores the loan compliance rules". The Office has cited column 2, lines 13-17 in the Acosta reference as disclosing these limitations. Rows 2, 2.1 and 2.2 of Table 4A illustrate a comparison of the first two limitations of the second element of claim 25 with an alleged equivalent in the Acosta reference cited by the Office. There is no disclosure in the Acosta reference of interactively building a set of loan compliance rules using compliance based rule variables and rule building instructions, and storing the loan compliance rules.

Regarding the third limitation of the second element of claim 25, the third limitation includes a loan audit server communicating with the user interface that, "in response to a loan audit request, identifies a loan type, determines the loan compliance rules that apply to the loan type, compares the loan compliance rules to loan data associated with the loan audit request to determine loan audit results." The Office has cited column 2, lines 23-43, and column 5, lines 52-59 in the Acosta reference as disclosing these limitations. Rows 2.3 and 2.3.1-2.3.3 of Table 4B illustrate a comparison of the third limitation of the second element of claim 25 with an alleged equivalent in the Acosta reference cited by the Office. There is no disclosure in the Acosta reference of responding to a loan audit request by identifying a loan type, determining the loan compliance rules that apply to the loan type, an comparing the loan rules to loan data associated with the loan audit request to determine loan audit results. In comparing the loan rules to loan data associated with the loan audit request to determine loan audit results, Appellant's invention accesses every data element in a loan file and compares each element against each value and enumeration within every loan compliance rule. The review is not constrained by a finite list of yes/no answers to checklist questions.

Since the Office has failed to identify each and every element of Appellant's claim 25, to determine their meaning in light of the specification and prosecution history, and to identify corresponding elements disclosed in the allegedly anticipating reference of Acosta, arranged as in the claims of Appellant's claimed invention, there is insufficient basis to support a rejection of Appellant's claim 25 under 35 U.S.C. § 102(e). Therefore, the rejection of claim 25 should be withdrawn.

COMPARISON OF INDEPENDENT CLAIM 25 LIMITATIONS WITH PASSAGES CITED BY THE OFFICE		
CLAIM LIMITATIONS	CITATION	OFFICE ASSERTED EQUIVALENT IN ACOSTA
1. "a. a user interface for displaying and entering loan audit compliance data"	Column 2, Lines 13-17	"In another respect, the invention comprises computer assisted method of auditing loan portfolios and loan servicing portfolios wherein loans are a plurality of types comprising the steps of storing on a server a computer record for each loan in a portfolio"
2. "b a loan audit server communicating with the user interface that: 2.1 "i. allows a user to interactively build a set of loan compliance rules using compliance base rule variables and rule building instructions" 2.2 "ii. stores the loan compliance rules"	Column 2, Lines 13-27	A computer assisted method of auditing loan portfolios comprising: - storing on a server a computer record for each loan in a portfolio and rules which comprise each current and historical legal regulation - storing on the server a set of selectable audit types - storing on the server a set of questions to determine compliance with each regulation or parameter, each question keyed to one or more audit types - periodically adding questions to the set of questions as new regulations or parameters are promulgated - storing on the server a set of sampling criteria comprising historical error rates, confidence intervals, and precision - automatically selecting an audit sample subset of records according to one or more selected audit types and applicable sampling criteria

TABLE 4A

COMPARISON OF INDEPENDENT CLAIM 25 LIMITATIONS WITH PASSAGES CITED BY THE OFFICE		
CLAIM LIMITATIONS	CITATION	OFFICE ASSERTED EQUIVALENT IN ACOSTA 09/518,837
2.3 "iii. in response to a loan audit request:" 2.3.1 "(i) identifies a loan type" 2.3.2 "(ii) determines the loan compliance rules that apply to the loan type" 2.3.3 "(iii) compares the loan rules to loan data associated with the loan audit request to determine loan audit results."	Column 2, Lines 23-43	A computer assisted method of auditing loan portfolios further comprising: - periodically adding questions to the set of questions as new regulations or parameters are promulgated - storing on the server a set of sampling criteria comprising historical error rates, confidence intervals, and precision - automatically selecting an audit sample subset of records according to one or more selected audit types and applicable sampling criteria - automatically creating and transmitting to an auditor client workstation an audit sample subset of records and a checklist of questions keyed to the selected audit type - storing auditor's answers to the checklist questions, including exceptions - storing any auditor recommendations pertaining to any of the exceptions - automatically generating management reports comprising the sampling criteria, an exception rate pertaining to the subset, a list of any loans in the subset which have exceptions and the exceptions pertaining to each loan, and any recommendations for cure of each type of exception found.
	Column 5, Lines 52-59	The checklist is prepared by the system for the auditor to use during the review, and the items on the checklist are particular to the sample being reviewed and are the correct currently applicable ones based on current and applicable regulations and other rules.

TABLE 4B

8.12 Arguments for Dependent Claim Rejections Under 35 U.S.C. § 102(e)

Appellant's dependent claims 3-21 and 23 depend on independent claim 2, dependent claim 24 depends on independent claim 22, and dependent claims 26-42 depend on independent claim 25. These dependent claims are either directly or indirectly dependent on independent claims 2, 22 and 25, and therefore incorporate all the limitations of the corresponding independent claims while providing further novel and patentable recitations. Since the case for anticipation of the independent claims is unsupported by the references cited by the Office, as shown above, the rejections of these dependent claims based on anticipation are also unsupported by the cited reference and should be withdrawn.

CLAIMS DEPENDING ON INDEPENDENT CLAIM 2

Furthermore, regarding Appellant's dependent claim 3, dependent claim 3 recites the limitation "building rules for all applicable licenses available within the geographic boundary using compliance base rule variables and rule building instructions and storing the loan compliance rules in a rule library database in the computer system." The Office alleges that this limitation is taught by Acosta in column 4, lines 11-66, which discusses different types of audits, with each type of audit having a unique set of question to be answered by an auditor. Column 4, lines 57-60 recites, "Thus the questions are in effect rules which are called up when an included type of audit is requested, ..." The Office appears to be equating the questions described in the Acosta reference with building rules using compliance base variables and rule building instructions, as in claim 3 and described on page 10, lines 3-22 of Appellant's specification. There is no correlation, similarity or equivalence between the questions described by Acosta and the building of rules disclosed by Appellant. There is no disclosure in the Acosta reference of building rules using compliance base variables and rule building instructions. The rejection of

dependent claim 3 based on anticipation is unsupported by the cited reference and should be withdrawn.

Furthermore, regarding Appellant's dependent claim 4, dependent claim 4 recites the limitation "building rules for all licenses available within the geographic boundary using the compliance base rule variables and rule building instructions further comprises allowing the user to add a new license to the applicable licenses available and allowing a user to build new rules for the new license." The Office alleges that this limitation is taught by Acosta in column 4, lines 11-66 and in column 9, lines 50-67. The reference to column 4, lines 11-66, as discussed above, has been shown to be of no relevance, and the passage in column 9, lines 50-67 merely discuss "rules which comprise each current and historical legal regulation...", a selected audit criteria checklist, an auditor's answer to the checklist and recommendations. Also, as noted above there is no disclosure of building rules for licenses in the Acosta reference, nor is there any disclosure in the Acosta reference of building rules using the compliance base rule variables and rule building instructions. The rejection of dependent claim 4 based on anticipation is unsupported by the cited reference and should be withdrawn.

Furthermore, regarding Appellant's dependent claim 5, claim 5 includes the limitation "storing the loan compliance rules in a rule library database in the computer system." Although the Acosta reference may describe storing rules in a server, the rules of Acosta are merely textual copies of current and historical legal regulations or sets of questions reflecting the regulations, whereas Appellant's rules are math-like structure capable of being executed by a computer system, as evidenced by building rules using the compliance based rule variables and rule building instructions. The rejection of dependent claim 5 based on anticipation is unsupported by the cited reference and should be withdrawn.

Furthermore, regarding Appellant's dependent claim 6, claim 6 includes the limitation "if a rule exists in the rule library database for a license, allowing the user to review the rule." As noted above, the rules of Acosta are merely textual copies of current and historical legal regulations or sets of questions reflecting the regulations, whereas Appellant's rules are based on compliance base variables and rule building instructions, and have math-like structure capable of being executed by a computer system. Although the Office has cited column 5, lines 8-50, there is no disclosure in this passage or anywhere else in Acosta of rules corresponding to licenses. The rejection of dependent claim 6 based on anticipation is unsupported by the cited reference and should be withdrawn.

Furthermore, regarding Appellant's dependent claim 7, claim 7 includes the limitation "if a rule exists in the rule library database for a license, allowing the user to change the rule." As noted above, the rules of Acosta are merely textual copies of current and historical legal regulations or sets of questions reflecting the regulations, whereas Appellant's rules are based on compliance base variables and rule building instructions, and have math-like structure capable of being executed by a computer system. Although the Office has cited column 5, lines 30-50, there is no disclosure in this passage or anywhere else in Acosta of rules corresponding to licenses. The rejection of dependent claim 7 based on anticipation is unsupported by the cited reference and should be withdrawn.

Furthermore, regarding Appellant's dependent claim 8, claim 8 includes the limitation "allowing the user to modify the loan compliance rules in the rule library database." As noted above, the rules of Acosta are merely textual copies of current and historical legal regulations or sets of questions reflecting these regulations, whereas Appellant's rules are based on compliance base variables and rule building instructions, and have math-like structure capable of being

executed by a computer system. Although the Office has cited column 5, lines 30-50 and column 4, lines 50-60, there is no disclosure in these passages or anywhere else in Acosta of rules corresponding to licenses. The rejection of dependent claim 8 based on anticipation is unsupported by the cited reference and should be withdrawn.

Furthermore, regarding Appellant's dependent claim 9, claim 9 includes the limitation "the compliance base rule variables represent data elements in a loan file in the loan data database." As noted above, the rules of Acosta are merely textual copies of current and historical legal regulations or sets of questions reflecting these regulations, whereas Appellant's rules are based on compliance base variables and rule building instructions, and have math-like structure capable of being executed by a computer system. Although the Office has cited column 3, lines 37-50, there is no disclosure in this passage or anywhere else in Acosta of compliance base rule variables, which are used to build compliance rules according to Appellant's claims and specification. The rejection of dependent claim 9 based on anticipation is unsupported by the cited reference and should be withdrawn.

Furthermore, regarding Appellant's dependent claim 10, claim 10 includes the limitation "the rule building instructions comprise allowing the user to build rules by specifying equations using base rule variables." As noted above, the rules of Acosta are merely textual copies of current and historical legal regulations or sets of questions reflecting the regulations, whereas Appellant's rules are based on compliance base variables and rule building instructions, and have math-like structure capable of being executed by a computer system. Although the Office has cited column 5, line 65 to column 6, line 67, there is no disclosure in this passage or anywhere else in Acosta of rule building instructions or building compliance rules by specifying equations using base rule variables, according to Appellant's claims and specification. The rejection of

dependent claim 10 based on anticipation is unsupported by the cited reference and should be withdrawn.

Furthermore, regarding Appellant's dependent claim 11, claim 11 includes the limitation "the rule building instructions comprise controlling the rule building process to eliminate rule errors." Although the Office has cited column 5, line 65 to column 8, line 50, there is no disclosure in this passage or anywhere else in Acosta of rule building instructions or controlling the rule building process to eliminate rule errors, according to Appellant's claims and specification. The rejection of dependent claim 11 based on anticipation is unsupported by the cited reference and should be withdrawn.

Furthermore, regarding Appellant's dependent claim 12, claim 12 includes the limitation "associating the loan compliance rules with a license to form a set of assigned compliance rules." As noted above, the rules of Acosta are merely textual copies of current and historical legal regulations or sets of questions reflecting the regulations, whereas Appellant's rules are based on compliance base variables and rule building instructions, and have math-like structure capable of being executed by a computer system. Although the Office has cited column 4, lines 11-20, there is no disclosure in this passage or anywhere else in Acosta of licenses or of associating the loan compliance rules with a license. The rejection of dependent claim 12 based on anticipation is unsupported by the cited reference and should be withdrawn.

Furthermore, regarding Appellant's dependent claim 16, claim 16 includes the limitation "allowing a user to identify and store applicable exemptions to the government license requirements in the assigned compliance rules." As noted above, the rules of Acosta are merely textual copies of current and historical legal regulations or sets of questions reflecting the regulations, whereas Appellant's rules are math-like structure capable of being executed by a

computer system. Although the Office has cited column 8, lines 50-60 and column 4, lines 11-20, there is no disclosure in these cited passages or anywhere else in Acosta of identifying and storing applicable exemptions to the government license requirements in assigned compliance rules. The rejection of dependent claim 16 based on anticipation is unsupported by the cited reference and should be withdrawn.

Furthermore, regarding Appellant's dependent claims 17, 19 and 20, claims 17, 19 and 20 disclose the limitations "the government loan originator requirements are state loan requirements', "the licensing requirements are state licensing requirements" and "the licensing requirements are federal licensing requirements", respectively. Although the Office ha cited column 3, line55 to column 4, line 50, there is no disclosure in this passage or anywhere else in Acosta of state loan requirements, state licensing requirements or federal licensing requirements. The rejection of dependent claims 17, 19 and 20 based on anticipation is unsupported by the cited reference and should be withdrawn.

CLAIMS DEPENDING ON INDEPENDENT CLAIM 25

Furthermore, regarding Appellant's dependent claim 31, claim 31 includes the limitation "the loan compliance rules are built by the user using the user interface." As noted above, the rules of Acosta are merely textual copies of current and historical legal regulations or sets of questions reflecting the regulations. More particularly, as described in Acosta column 4, lines 51-60, questions, which are derived from legal regulations to form checklists, are in effect rules that are called up when an audit is requested that includes the particular questions. Appellant's rules are based on compliance base variables and rule building instructions, and have math-like structure capable of being executed by a computer system. There is no disclosure anywhere in Acosta of building loan compliance rules as disclosed in Appellant's claims and specification.

The rejection of dependent claim 31 based on anticipation is unsupported by the cited reference and should be withdrawn.

Furthermore, regarding Appellant's dependent claim 32, dependent claim 32 recites the limitation "interactively building a set of loan compliance rules comprises using applicable licenses for the state, the user builds rules for all licenses available within the state using the compliance base rule variable and rule building instructions and stores the rules in a rule library, and using the applicable licenses, the user associates the applicable licenses with a loan originator to form the loan originator applicable licenses." The Office alleges that this limitation is taught by Acosta in column 3, line 55 to column 5, line 50, which discusses different types of audits, with each type of audit having a unique set of question to be answered by an auditor. Column 4, lines 57-60 recites, "Thus the questions are in effect rules which are called up when an included type of audit is requested, ..." The Office is equating the questions described in the Acosta reference with building rules using compliance base variables and rule building instructions, as in claim 32 and described on page 10, lines 3-22 of Appellant's specification. There is no correlation, similarity or equivalence between the questions described by Acosta and the building of rules disclosed by Appellant. There is no disclosure in the Acosta reference of building rules using compliance base variables and rule building instructions. Nor is there any disclosure in Acosta of licenses. The rejection of dependent claim 32 based on anticipation is unsupported by the cited reference and should be withdrawn.

Furthermore, regarding Appellant's dependent claim 33, claim 33 includes the limitation "in comparing the loan compliance rules with the loan data, the loan audit server identifies a loan type and loan originator, retrieves the applicable licenses for the loan type and the loan originator, retrieves the loan compliance rules associated with the applicable licenses from the

stored rules in the rule library, compares the loan compliance rules to the loan data, and compiles the loan audit results." The Office alleges that this limitation is taught by Acosta in column 3, line 55 to column 5, line 50, which discusses different types of audits, with each type of audit having a unique set of question to be answered by an auditor. There is no disclosure in this passage or anywhere else in Acosta of a loan audit server executing instruction to automatically sequence the steps of Appellant's claim 33. The Acosta reference requires intervention by an auditor using checklist questions. The rejection of dependent claim 33 based on anticipation is unsupported by the cited reference and should be withdrawn.

Furthermore, regarding Appellant's dependent claim 40, claim 40 includes the limitation "storing the loan audit results on media selected from the group consisting of a hardcopy report, a tape, a film and a CD-ROM." There is no disclosure in the Acosta reference of storing loan audit results on a tape, film or CD-ROM. The rejection of dependent claim 40 based on anticipation is unsupported by the cited reference and should be withdrawn.

Furthermore, regarding Appellant's dependent claim 41, claim 41 includes the limitation "loan compliance rules comprise compliance based rule variables, rule building instructions, a compliance rules data library, assigned compliance rules, a list of government licenses for loan originators, and data application rules." Although the Office has cited columns 4-6 of Acosta, there is no disclosure in this passage or anywhere else in Acosta of compliance based rule variables, rule building instructions, a compliance rules data library, assigned compliance rules, a list of government licenses for loan originators, or data application rules, according to Appellant's claims and specification. The rejection of dependent claim 41 based on anticipation is unsupported by the cited reference and should be withdrawn.

8.13 Arguments for Dependent Claim Rejections Under 35 U.S.C. § 103(a)

Appellant's dependent claim 21 depends on independent claim 2, and dependent claims 34-38 and 40 depend on independent claim 25. These dependent claims are either directly or indirectly dependent on independent claims 22 and 25, and therefore incorporate all the limitations of the corresponding independent claims while providing further novel and patentable recitations. Since the case for anticipation of the independent claims is unsupported by the references cited by the Office, as shown above, the rejections of these dependent claims based on anticipation are also unsupported by the cited reference and should be withdrawn.

9. RESPONSE TO EXAMINER'S ANSWER

Appellant points out that in numerous instances in the claims, as discussed above, there is recitation to "building compliance rules using compliance base rule variables and rule building instructions" (e.g., see claim 3, 4, 8-11, 22, 25, 32 and 41). There are also numerous claims that include limitations of geographic, state and federal boundary limitations (e.g., see claims 2, 3, 4, 13, 18-20, and 32) as well as government lending and license requirements. These claims are clearly understood by practitioners skilled in the relevant art to be directed to computer-encoded, math-like compliance rules that represent state and federal licensing and lending requirements. Furthermore, it is well understood by those cognizant in the relevant art that the steps in independent claims 1 and 2 of (1) retrieving loan compliance rules, (2) retrieving loan audit data, (3) comparing the loan compliance rules to the loan audit data to determine compliance result, and (4) notifying the loan audit request user of the loan audit compliance result, are steps of a computer-implemented method automatically conducted by a computer. As further evidence of "automatically determining compliance", see independent claims 22 and 25. Claim 22 recites the limitations in response to a loan audit request of (1) retrieving applicable licenses by the loan

server, (2) retrieving loan compliance rules from stored rules in the database by the loan server, (3)comparing the loan compliance rules to loan data to determine audit compliance results by the loan server, and (4) electronically transferring the loan audit compliance results from the loan server to the user over a communications network. Claim 25 recites the limitations of a loan server that (1) allows a user to interactively build a set of loan compliance rules using compliance base rule variables and rule building instructions, (2) stores the loan compliance rules, and in response to a loan audit request (3) identifies a loan type, (4) determines the loan compliance rules that apply to the loan type, and (5) compares the loan compliance rules to loan data associated with the loan audit request to determine loan audit results. A loan server is recognized as a computer that may execute instructions to automatically carry out steps of a method, as claimed and disclosed in Appellant's specification.

Appellant's claims are to a computer-implemented invention that automatically determines compliance of a loan data file with state and federal requirements using computer-encoded, math-like compliance rules that represent state and federal requirements. This is clearly enunciated in Appellant's claims, which are fully supported and disclosed in the specification.

Appellant's invention is also clearly distinguishable from the invention of the Acosta reference. The Acosta reference discloses a computer assisted method of auditing loan portfolios comprising the steps of (1) storing on a server a computer record for each loan portfolio, (2) storing on the server rules which comprise each current and historical legal regulation, (3) storing on the server a set of selectable audit types, (4) storing on the server a set of questions to determine compliance with each rule (legal regulation), each question keyed to an audit type, (5) storing on the server a set of sampling criteria, (6) selecting one or more audit types and sampling criteria by a user, (7) automatically selecting an audit sample subset of loan records

using the audit types and sampling criteria, (8) automatically generating the audit sample subset of loan records and a checklist of questions determined from the audit types, (9) storing an auditor's answers to the checklist of questions and any exceptions, and (10) automatically generating management reports comprising sampling criteria, an exception rate, a list of loans in the subset and related exceptions, and auditor's recommendations. As disclosed in Acosta, an auditor is the determining factor in the loan evaluation by answering a selected set of questions. The limitations of Appellant's claims are not found in the Acosta reference, and are also not found in the Acosta reference arranged as in Appellant's claims. It should be emphasized that the disclosed process of Acosta does not result in a determination of whether a single loan data file is in compliance with regulatory requirements, but whether a loan portfolio meets a statistically determined "exception rate" based on a sampled subset of loan data files within the loan portfolio.

There is no process of rule building to be found explicitly, implicitly or inherently anywhere in the Acosta reference as found in Appellant's claims that include the limitations of building rules using compliance base rule variables and rule building instructions. Appellant's use of the term "rule" is in the plain meaning sense, "a determinate method for performing a mathematical operation and obtaining a certain result", and is separate and apart from textual government licenses within a geographic boundary that apply regulatory requirements on lending institutions from which the rules are derived. The use of the term "rule" in the Acosta reference is described in column 4, lines 51-60 in disclosing at least 3,000 unique questions, "Thus, the questions are in effect rules which are called up when an included type audit is requested, ..." Therefore, Appellant's use of the term "rule" is in relation to a mathematical operation, and the use of the term "rule" in the Acosta reference is a set of questions.

In order to support a rejection of Appellant's claims under 36 U.S.C. § 102(e) as being anticipated by Acosta, impermissible hindsight and undue reconstruction and reinterpretation are required. This is very evident by contrasting the limitations of Appellant's independent claims with the alleged equivalents cited by the Office, as illustrated in Table 1 through Table 4 shown above. Contrary to the assertion by the Office, there is no statement in Acosta that loan audit data is checked to be in compliance with legal regulations. The Acosta reference discloses compiling an auditor's answers to a set of questions derived from legal regulations and applied to a sample of loans in a loan portfolio. The result is not a deterministic assessment of whether a particular loan is in compliance with regulatory requirements, but a statistical assessment of a loan portfolio based on a sample of loans in the loan portfolio that results in an auditor's answers to questions which are used to determine a statistical "exception rate" as a measure of whether a sample subset of the loan portfolio meets government requirements. Contrary to the assertion, there is no disclosure or teaching in Acosta of interactively building loan compliance rules based on compliance base rule variables and rule building instructions. There is also no disclosure in the Acosta reference of storing the loan compliance rules in a rules compliance database. At best, the Acosta reference discloses formulating a set of questions derived from legal regulations that Acosta refers to as "rules". These answers to these questions provided by an auditor are used to determine a statistical measure of a sample subset of a loan portfolio referred to as an "exception rate". Since Appellants invention is a deterministic process rather than a statistical process, there is little correspondence between Appellant's claims and the Acosta disclosure. Appellant's invention relies on a computer determination of whether every data element within every loan file is in compliance with regulatory requirements. The Acosta reference requires a subjective determination by an auditor in answering a set of questions regarding a sampled subset of loan

files in a loan portfolio, and the answers are used to determine a statistical parameter referred to as an "exception rate".

During patent examination, the pending claims must be given their broadest reasonable interpretation consistent with the specification. *In re Hyatt, 211 F.3d 1367, 1372, 54 USPQ2d 1664, 1667 (Fed. Cir. 2000)*. Appellant's claims may not be reconstructed to be inconsistent with the specification and given interpretation far beyond that which is disclosed or inherent in the specification. Likewise, the Acosta reference may not be reconstructed to be inconsistent with the specification and given interpretation far beyond that which is disclosed or inherent in the specification, based on the benefit of reviewing Appellant's disclosure in hindsight. A side-by-side comparison of the limitations of Appellant's claims with the alleged equivalent in Acosta cited by the Office, such as in Table 1 through Table 4 shown above, demonstrates the lack of support for the rejections of Appellant's claims.

10. SUMMARY

The responses detailed above rebut the assertions by the Office of anticipation and unpatentability of Appellant's invention, and substantiate the novelty and nonobviousness of claims 1-42 under 35 U.S.C. §§ 102(e) and 103(a) as being patentable over the reference of Acosta et al, U.S. Patent No. 6,643,625. Since the rejections are unsupported for failure to find all of Appellant's claim limitations in the cited reference, the Office has failed to establish a case for anticipation and obviousness. Appellant requests reversal of all rejections and allowance of the application.

Respectfully Submitted,

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Date

Douglas D. Russell
Reg. No. 40,152
Attorney for Appellants

TAYLOR RUSSELL & RUSSELL, P.C.
4807 Spicewood Springs Road
Building Two Suite 250
Austin, Texas 78759-8435
Tel. 512-338-4601
Fax: 512-338-4651
Email: drussell@russell-law.com

APPENDIX A

Claims on Appeal

APPENDIX A

Claims on Appeal

1. (previously presented) A computer-implemented method for auditing loan compliance with government loan lending and licensing requirements, comprising the steps of:

a. allowing a user to display and enter loan audit compliance data, comprising the steps of:

i. receiving and displaying loan audit data on a user interface of a computer system; and

ii. storing the loan audit data in a loan data database in the computer system;

b. allowing a user to interactively build loan compliance rules, comprising the steps of

i. enabling the user to interactively build loan compliance rules on a user interface of the computer system; and

ii. storing the loan compliance rules in a loan compliance rules database in the computer system; and

c. responding to a loan audit request received from a user on a user interface of the computer system, comprising the steps of:

i. retrieving the loan compliance rules from the loan compliance rules database;

ii. retrieving the loan audit data from the loan data database;

iii. comparing the loan compliance rules to the loan audit data to determine a loan audit compliance result; and

iv. notifying the loan audit request user of the determined loan audit compliance result.

2. (previously presented) A computer-implemented method for auditing loan compliance with government loan lending and licensing requirements, comprising the steps of:

a. allowing a user to display and enter loan audit compliance data, comprising the steps of:

i. receiving and displaying loan audit data on a user interface of a computer system; and

ii. storing the loan audit data in a loan data database in the computer system;

b. allowing a user to interactively build loan compliance rules on a user interface of the computer system, comprising the steps of:

i. using applicable licenses for a geographic boundary, building loan compliance rules for all applicable licenses available within the geographic boundary and storing the loan compliance rules in a loan compliance rules database in the computer system; and

ii. associating licenses from the applicable licenses with a loan originator to form a set of loan originator applicable licenses and storing the list of loan originator licenses in the loan compliance rules database in the computer system; and

c. responding to a loan audit request received from a user on a user interface of the computer system, comprising the steps of:

i. identifying a loan type and loan originator;

ii. retrieving the loan originator licenses for the loan type and loan originator from the loan compliance rules database;

iii. retrieving the loan compliance rules associated with the loan originator licenses from the loan compliance rules database;

iv. retrieving the loan audit data from the loan data database;

v. comparing the loan compliance rules with the loan audit data to determine a loan audit compliance result; and

vi. notifying the loan audit request user of the determined loan audit compliance result.

3. (previously presented) The method of claim 2 further comprising building rules for all applicable licenses available within the geographic boundary using compliance base rule variables and rule building instructions and storing the loan compliance rules in a rule library database in the computer system.

4. (original) The method of claim 3 wherein building rules for all licenses available within the geographic boundary using the compliance base rule variables and rule building instructions further comprises:

allowing the user to add a new license to the applicable licenses available; and

allowing a user to build new rules for the new license.

5. (previously presented) The method of claim 2 further comprising storing the loan compliance rules in a rule library database in the computer system.

6. (previously presented) The method of claim 5 further comprising, if a rule exists in the rule library database for a license, allowing the user to review the rule.

7. (previously presented) The method of claim 5 further comprising, if a rule exists in the rule library database for a license, allowing the user to change the rule.

8. (previously presented) The method of claim 5 further comprising allowing the user to modify the loan compliance rules in the rule library database.

9. (previously presented) The method of claim 3 wherein the compliance base rule variables represent data elements in a loan file in the loan data database.

10. (original) The method of claim 3 wherein the rule building instructions comprise allowing the user to build rules by specifying equations using base rule variables.

11. (original) The method of claim 10 wherein the rule building instructions comprise controlling the rule building process to eliminate rule errors.

12. (original) The method of claim 2 further comprising associating the loan compliance rules with a license to form a set of assigned compliance rules.

13. (original) The method of claim 2 wherein the geographic boundary is a state.

14. (previously presented) The method of claim 5 wherein the user displays and enters loan data using a user interface embodied in a computer processor that communicates with the rule library database via a communications network.

15. (original) The method of claim 14 wherein the communications network is a global communications network.

16. (original) The method of claim 12 further comprising allowing a user to identify and store applicable exemptions to the government license requirements in the assigned compliance rules.

17. (previously presented) The method of claim 13 wherein the government loan originator requirements are state loan requirements.

18. (previously presented) The method of claim 13 wherein the government loan originator requirements are federal loan requirements.

19. (original) The method of claim 13 wherein the licensing requirements are state licensing requirements.

20. (original) The method of claim 13 wherein the licensing requirements are federal licensing requirements.

21. (original) The method of claim 14 wherein the communications network is selected from the group consisting of a satellite communication network, a telephone communication network, a microwave transmission network, a radio communication network and a wireless telephone communication network.

22. (original) A computer implemented method for auditing loan compliance with government and loan lending requirements, comprising:

a. electronically transferring loan data from a user interface embodied in a computer processor to a loan audit server computer over a communications network;

b. at the user interface computer, allowing a user to interactively build loan compliance rules using compliance based rule variables and rule building instructions comprising:

i. using licenses applicable to the state, building rules for all applicable licenses available within the state; and

ii. associating the applicable licenses with a loan originator to form a list of loan originator applicable licenses and storing the loan originator applicable licenses;

c. storing the loan compliance rules in a database connected to the loan audit server computer;

d. in response to a loan audit request:

i. identifying a loan type and the loan originator;

ii. retrieving the applicable licenses for the loan type and the loan originator by the loan server;

iii. retrieving the loan compliance rules associated with the applicable licenses from the stored rules in the database by the loan server;

iv. comparing the loan compliance rules to loan data to determine loan audit compliance results by the loan server; and

v. electronically transferring the loan audit compliance results from the loan server to the user over a communications network.

23. (original) A software program embodied on a computer-readable medium incorporating the method as recited in claim 2.

24. (original) A software program embodied on a computer-readable medium incorporating the method as recited in claim 22.

25. (original) A system for auditing loan compliance with government and loan lending requirements, comprising:

a. a user interface for displaying and entering loan audit compliance data; and

b. a loan audit server communicating with the user interface that:

i. allows a user to interactively build a set of loan compliance rules using compliance base rule variables and rule building instructions;

ii. stores the loan compliance rules;

iii. in response to a loan audit request:

(i) identifies a loan type;

(ii) determines the loan compliance rules that apply to the loan type;

(iii)compares the loan compliance rules to loan data associated with the loan audit request to determine loan audit results.

26. (original) The system of claim 25 wherein the loan audit results are displayed to the user via the user interface.

27. (original) The system of claim 25 wherein the user interface is embodied in a computer processor that communicates with the loan audit server via a communications network.

28. (original) The system of claim 25 wherein the loan audit server comprises a global communications network ("web") data server capable of transmitting and receiving loan data to and from the user via a global communications network.

29. (original) The system of claim 27 wherein the communications network is the Internet.

30. (original) The system of claim 25 further comprising storing the loan audit results in an audit compliance report.

31. (original) The system of claim 25 wherein the loan compliance rules are built by the user using the user interface.

32. (original) The system of claim 25 wherein interactively building a set of loan compliance rules comprises:

using applicable licenses for the state, the user builds rules for all licenses available within the state using the compliance base rule variable and rule building instructions and stores the rules in a rule library; and

using the applicable licenses, the user associates the applicable licenses with a loan originator to form the loan originator applicable licenses.

33. (original) The system of claim 32 wherein in comparing the loan compliance rules with the loan data, the loan audit server:

identifies a loan type and loan originator;

retrieves the applicable licenses for the loan type and the loan originator;

retrieves the loan compliance rules associated with the applicable licenses from the stored rules in the rule library;

compares the loan compliance rules to the loan data; and

compiles the loan audit results.

34. (original) The system of claim 27 wherein the communications network comprises a satellite communication network.

35. (original) The system of claim 27 wherein the communications network comprises a telephone communication network.

36. (original) The system of claim 27 wherein the communications network comprises a microwave transmission network.

37. (original) The system of claim 27 wherein the communications network comprises a radio communication network.

38. (original) The system of claim 27 wherein the communications network comprises a wireless telephone communication network.

39. (original) The system of claim 25 further comprising a generating a hardcopy of the loan audit results.

40. (original) The system of claim 25 further comprising storing the loan audit results on media selected from the group consisting of a hardcopy report, a tape, a film and a CD-ROM.

41. (original) The system of claim 25 wherein loan compliance rules comprise:

compliance based rule variables;

rule building instructions;

a compliance rules data library;

assigned compliance rules;

a list of government licenses for loan originators; and

data application rules.

42. (previously presented) The system of claim 25 wherein the user interface communicates with a web browser for transmitting and receiving the loan data and the loan audit results.